

Selecting the Right Staffing Firm

For many professionals, being a contractor has lots of appeal: variety of assignments, exposure to new technologies and flexibility are just some of the attractions of contract work.

Working through a staffing firm can be a great way to experience the benefits of contractor status, without some of the headaches. Staffing firms will act as your “talent agent” and market your skills to clients, so you don’t have to find all of your own “gigs.” They will also handle all of the back office administration like payroll and taxes, so you can be free to focus on building your skills and your portfolio.

There are many staffing firms, and deciding which ones to work with can be confusing. Success and satisfaction in working with staffing firms starts with knowing yourself and what’s important to you in a consulting engagement and in your relationship with the firm. Committing your list to paper is a good way to gain self-insight. Make three columns and label them as follows:

Must Have: You won’t consider the assignment or the firm without this.

Preferred: Nice to have-more matches here creates separation between the firms.

Indifferent: You are flexible on these.

Here are some of the items that frequently appear on a contractor’s list, along with how those preferences relate to the decision to engage a staffing firm.

Assignment criteria

The business model of the staffing firm generally determines which companies they service and the consulting assignments they have to offer. While staffing firms have some diversity in their base of accounts, the majority of their clients will have similarities such as organizational size, industry segment or skill needs. Large, multi-location companies often work with national staffing firms because they can negotiate favorable rate agreements. If your Must Have or Preferred list includes working in Fortune 500 companies, these firms will have more assignments in the larger companies.

“Niche” staffing firms usually focus on providing services to clients based upon segmented vertical markets. If you are interested in working in certain industries such as alternative energy, medical device or photonics, look for firms that cater to those. Also the “niche” or regional firm may have more assignments in smaller, and/or local companies, so if you prefer a more intimate work environment or less travel, engage those firms.

“Niche” staffing firms may offer higher pay rates, but may not have as many available assignments. Engaging both types of firms is a viable strategy if you want to avoid downtime.

Money matters

If weekly cash flow is on your Must Have list, inquire about the pay cycle frequency with prospective staffing firms; and if you want an alternative to W2 tax status, inquire about that up front along with requesting the firm’s normal pay ranges for your skill set. While “niche” firms might pay a higher hourly rate, you might make more annually if you have more frequent assignments at lower rates.

Ask how often they pay and if they are purely a W2 firm or if they will allow you to work on a ‘corp. to corp.’ status or under a self-proprietorship.

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In the event you elect to work under a non -W2 tax status, speak with a CPA and know both your responsibility and the firm's when it comes to tax liability and reporting. Make certain that the firm is following the rules before you engage them.

While many contractors provide their own benefits to fit their portable work style, some firms may offer 125 plans that allow you to pay for benefits on a pre-tax basis or they may subsidize the costs of certification programs or continuing education based upon the number of hours that you work for them. If learning new technologies or other benefits are on your Must Have list be sure and inquire about them before engaging the firm.

Personal touch

If you prefer frequent contact with your recruiter or the opportunity to attend networking events, you will want to work with a staffing firm that can meet your needs. The business model of the staffing firm often dictates the ratio of internal staff to contractors, and that determines how often they will contact you once you are on assignment. If you want more frequent contact such as joint performance reviews with the client and a representative of the staffing firm, inquire about their practices prior to engagement and again when you are offered an assignment.

Some firms will assign you to a solo recruiter, while in other firms any recruiter can offer you an assignment. This may have an effect on how precisely they match you for potential assignments and interview opportunities. If you are more flexible about what you'll consider, the firm with "pooled recruiters" might be a good choice. If your Must Have and Preferred list is longer, consider firms where you will have a dedicated contact who will only ask to submit your resume for a contract assignment when your exact conditions are met.

Doing your homework

In addition to checking the firm's Web site and speaking with their staff, you might consider calling the Better Business Bureau and requesting to speak with clients or current contractors as a way to verify the integrity and business practices of the staffing firm.

Legitimate firms will take pride in who their customers are, and they will welcome your request to check their references

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